

Congress taking up bills that are not going anywhere, or that are pretend bills that will go somewhere to cover up the fact that they are killing the real bill that would do something useful and also that, you know, we are taking up constitutional amendments that are not going to pass. Hooray for the Republican majority.

The SPEAKER pro tempore (Mr. BOUSTANY). Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes.

(Mr. GEORGE MILLER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

IS THE UNITED STATES BANKRUPT?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, there are plenty of signs that the United States economy is not working well. One of the signs is our national debt. The latest figures show we are somewhere over \$8 trillion in the hole, and every day the hole gets deeper. You would think someone here in Washington would pay attention.

Back in the year of 2000, as a result of major decisions made during the 1990s by the Congress, by then President Clinton, we were able to balance the annual budget and were actually paying down this enormous debt, the accumulated debt of the country.

So things do not look too good there, and the United States has to cover those borrowings by borrowing from foreign interests. We know nearly half of U.S. debt securities are now purchased by foreign interests, and the United States is in hock, having to pay every year hundreds of billions of dollars in interest, interest to those foreign holders of our debt, interest we could be spending here at home; dollars we could be spending here inside the borders of the United States, rather than to those who are loaning us the money.

Another sign of our predicament is this, that is, the monthly and annual trade deficits of our country, where more imports are coming into our Nation, more and more and more every month, every day, every year, than we export out.

It is not that we are not exporting things. We are. But we are importing vastly more than we are exporting. In

fact, the latest figures, compiled by the U.S. Census Bureau, indicate that in the month of May, the last month for which we have final figures, our goods and services deficit went up another \$63.8 billion in 1 month. In 1 month.

That means, if you look at these monthly figures of our trade deficit, more imports coming in here than exports going out, in January of this year, they surpassed the debt, the trade debt from last year, in February, in March, in April, and then in May. May was worse than April. Without question, this year will go down as one in which the United States will have amassed the largest trade deficit in history.

We are literally in uncharted waters, because when these goods are purchased in our country, those dollars that are then forked over for those goods go somewhere else. Go somewhere else. And then those countries, take China, for example, or Korea, any of the nations with whom, or Japan with whom we have huge trade deficits, have those dollars to spend. We do not have them to spend. They do.

So they are literally taking our earned assets, and they are trading them internationally. In fact, the State of Indiana just did something incredible. They made a decision to lease out the Indiana Turnpike to foreign interests. This is unbelievable.

This is unbelievable. So the poor State of Indiana, the taxpayers of that State that had paid off the bonds on the turnpike over 30 years ago are now in hock to Spanish and Australian investors for the next 99 years. Unbelievable.

It is like a fire sale. Chicago Skyway did the same thing. Leasing out a public asset to foreign interests. And then we not only owe them the annual interest payments; but our children and our grandchildren, you can just see the pieces of America being taken away because we are not paying our own way.

There was an article in a London paper, the Telegraph, the headline of which is, "U.S. could be going bankrupt." And it is really talking about at what point do you officially declare bankruptcy. And it says, the United States is heading for bankruptcy, and research by Professor Laurence Kotlikoff for the Federal Reserve Bank of St. Louis said the United States is indeed bankrupt insofar as it will be unable to pay its creditors, who in this context are current and future generations to whom it has explicitly or implicitly promised future net payments of various kinds.

Certainly pension benefits, certainly health care benefits, all of those endangered because the Nation is in hock. We owe others. What is interesting about that Indiana turnpike deal is that the tolls have been doubled now. So the foreign interests to which the Indiana turnpike was leased out have now doubled the costs on the U.S. consumer. We do not have control of our own future until we get the trade ac-

counts and our budget accounts in order.

Certainly the President ought to submit a balanced budget. Certainly this Congress ought to pass one. That has not happened during the Bush administration.

[From the Telegraph (UK), July 14, 2006]

US 'COULD BE GOING BANKRUPT'

(By Edmund Conway, Economics Editor)

The United States is heading for bankruptcy, according to an extraordinary paper published by one of the key members of the country's central bank.

A ballooning budget deficit and a pensions and welfare timebomb could send the economic superpower into insolvency, according to research by Professor Laurence Kotlikoff for the Federal Reserve Bank of St. Louis, a leading constituent of the U.S. Federal Reserve.

Prof. Kotlikoff said that, by some measures, the U.S. is already bankrupt. "To paraphrase the Oxford English Dictionary, is the United States at the end of its resources, exhausted, stripped bare, destitute, bereft, wanting in property, or wrecked in consequence of failure to pay its creditors," he asked.

According to his central analysis, "the U.S. government is, indeed, bankrupt, insofar as it will be unable to pay its creditors, who, in this context, are current and future generations to whom it has explicitly or implicitly promised future net payments of various kinds".

The budget deficit in the U.S. is not massive. The Bush administration this week cut its forecasts for the fiscal shortfall this year by almost a third, saying it will come in at 2.3pc of gross domestic product. This is smaller than most European countries—including the UK—which have deficits north of 3pc of GDP.

Prof. Kotlikoff, who teaches at Boston University, says: "The proper way to consider a country's solvency is to examine the lifetime fiscal burdens facing current and future generations. If these burdens exceed the resources of those generations, get close to doing so, or simply get so high as to preclude their full collection, the country's policy will be unsustainable and can constitute or lead to national bankruptcy."

"Does the United States fit this bill? No one knows for sure, but there are strong reasons to believe the United States may be going broke."

Experts have calculated that the country's long-term "fiscal gap" between all future government spending and all future receipts will widen immensely as the Baby Boomer generation retires, and as the amount the state will have to spend on healthcare and pensions soars. The total fiscal gap could be an almost incomprehensible \$65.9 trillion, according to a study by Professors Gokhale and Smetters.

The figure is massive because President George W. Bush has made major tax cuts in recent years, and because the bill for Medicare, which provides health insurance for the elderly, and Medicaid, which does likewise for the poor, will increase greatly due to demographics.

Prof. Kotlikoff said: "This figure is more than five times U.S. GDP and almost twice the size of national wealth. One way to wrap one's head around \$65.9 trillion is to ask what fiscal adjustments are needed to eliminate this red hole. The answers are terrifying. One solution is an immediate and permanent doubling of personal and corporate income taxes. Another is an immediate and permanent two-thirds cut in Social Security and Medicare benefits. A third alternative,

were it feasible, would be to immediately and permanently cut all federal discretionary spending by 143pc."

The scenario has serious implications for the dollar. If investors lose confidence in the U.S.'s future, and suspect the country may at some point allow inflation to erode away its debts, they may reduce their holdings of U.S. Treasury bonds.

Prof. Kotlikoff said: "The United States has experienced high rates of inflation in the past and appears to be running the same type of fiscal policies that engendered hyperinflation in 20 countries over the past century."

Paul Ashworth, of Capital Economics, was more sanguine about the coming retirement of the Baby Boomer generation. "For a start, the expected deterioration in the Federal budget owes more to rising per capita spending on health care than to changing demographics," he said.

"This can be contained if the political will is there. Similarly, the expected increase in social security spending can be controlled by reducing the growth rate of benefits. Expecting a fix now is probably asking too much of short-sighted politicians who have no incentives to do so. But a fix, or at least a succession of patches, will come when the problem becomes more pressing."

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

(Mr. SOUDER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

(Mr. EMANUEL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

DROUGHT ISSUES IN SOUTH DAKOTA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Ms. HERSETH) is recognized for 5 minutes.

Ms. HERSETH. Mr. Speaker, I rise today to call to my colleagues' attention a dire and worsening situation developing in South Dakota and in several other States across the Great Plains. South Dakota is currently experiencing a severe, if not historic, drought; and it is getting worse.

Almost every week we are breaking records for lack of rainfall and high temperatures in communities across the State. Keep in mind that South Dakota was one of the hardest-hit regions of the country during the Dust Bowl of the 1930s. We have seen droughts before, and this one may ultimately rank among the worst.

I have beside me the most recent Drought Monitor map released last Thursday. As you can see, a significant portion of central South Dakota indicated here on the map is considered in an exceptional drought, the most severe category the Monitor recognizes.

A considerably larger portion of the State is experiencing extreme drought,

and 80 percent of the State is currently experiencing some drought today. Let me share some statistics with you. The ranching communities of Kadoka and Newell both experienced their second driest June on record. For the months of April and June combined, the communities of Timber Lake, Kennebec, and Faulkton experienced the driest conditions ever for those communities. And we have records going back more than 100 years.

The first 6 months of this year were the driest ever for Timber Lake. That community received 3.61 inches of precipitation for the entire 6-month period, a mere 35 percent of average. It also set an all time record temperature on Saturday of 112 degrees.

Also last Saturday, it was 116 degrees in Mobridge, South Dakota, a regional trade center, larger than the other towns I have mentioned. Mobridge, located near the North Dakota border along the Missouri River, it is a regional trade center, larger than the other towns that I mentioned. It had the driest 6 months ever recorded in that community, only 2.23 inches of precipitation over an entire half year.

This is less than 25 percent of their average rainfall. This is farm and ranch country and the effects have been devastating. Agricultural conditions are very dire and deteriorating. I have heard reports of ranchers completely liquidating their cattle herds as feed and water disappear. There is insufficient grass to get the entire herd through the summer; there is no hay to get these animals through the fall and winter. Wheat fields have burned up and hopes for a decent corn and soybean harvest are fading fast.

The record high temperatures of last week have come at the time that the corn is tasseling, a critical time for the crop. A farmer can lose up to 8 percent of yield a day under conditions of such severe stress. Conditions on the afternoon of July 15 on the family farm of one of the leaders of the South Dakota Corn Growers Association was 112 degrees in the shade, only 20 percent humidity, accompanied by 42 mile-an-hour winds. This in the center part of the State as well, but a bit more south and east.

Despite burn bans in many counties in the State, wild fires are becoming an increasing problem as well. As just one example, on July 5, a prairie fire began near Wakpala, South Dakota, and it burned across 600 acres of grassland in 25 minutes.

The water level in Lake Oahe, the largest of South Dakota's four Missouri River reservoirs, continues to drop and is now only about 4 feet above the record low set 2 years ago. Unfortunately, the precipitation outlook is not good. According to Weather Service computer models and projections, there is no relief in sight. Any new rainfall is expected to be light and isolated, and temperatures are expected to be much warmer than average in the coming weeks.

The temperature in our State capital of Pierre on Saturday was 117 degrees, an all-time record temperature. The Climate Prediction Center's most recent drought outlook predicts that the current drought will not only continue; it will worsen in the Dakotas and may expand across eastern Montana, Minnesota, and parts of Iowa.

Unfortunately, compared to other natural disasters, drought suffers from some real public relations disadvantages. First, they do not get memorable names to personify them like hurricanes. They creep in slowly and quietly, and they don't destroy buildings or sweep away trees; they do not inundate cities.

In other words, they simply do not make for good video on the evening news. But the damage they wreak is just as real as any other natural disaster. Droughts devastate family farms and ranches, small businesses and local economies. Families and communities suffer the same kind of economic and emotional toll from droughts that are caused by other natural disasters.

The stress for families worsens as the cattle herd is sold and nonfarm or ranch employment is sought if any can be found in smaller rural communities.

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Sometimes, such severe droughts even weaken the intrinsic optimism of the people who live and work and raise families in rural America. That is what is beginning to happen in central South Dakota today. Conditions there are truly devastating, and it is becoming increasingly clear that Congress must do something to address this situation.

Many other areas of the country are similarly affected and they deserve our attention and our assistance, just as much as do victims of hurricanes or floods or earthquakes or any other natural event that devastates economies and lives.

Mr. Speaker, I appreciate this opportunity to bring this situation to my colleagues' attention, and I look forward to working together to address this important matter.

The SPEAKER pro tempore (Mr. BOUSTANY). Under a previous order of the House, the gentleman from Florida (Mr. WELDON) is recognized for 5 minutes.

(Mr. WELDON of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. OSBORNE) is recognized for 5 minutes.

(Mr. OSBORNE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)